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DIRECTORATE OF INTELLIGENCE

## Central Intelligence Bulletin

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ARGENTINA: The nomination of Hector Campora to replace Juan Peron as the Peronist presidential candidate is likely to meet serious opposition both from Peronists and the military.

Police were called in to disperse protesters after Campora was nominated at the personal insistence (f Peron. Both the powerful Peronist labor sector and the more radical youth sector dislike Campora, and some fragmentation of the disparate Peronist movement is likely if his nomination is maintained.

It is unclear whether Peron intends to persist in his support for Campora or whether his nomination is simply another pressure tactic. Attempts to reach agreement with the military and the Radical Party on a compromise candidate reportedly continued until Peron departed for Paraguay on 14 December. Peron may believe that the general distaste for Campora will make his opponents more forthcoming in seeking an alternative. On the other hand, Peron may hope that by taking an active role in the election campaign he can push his loyal servant into the presidential mansion. He is expected to return to Argentina after his travels to Paraguay and Peru and back to Madrid for the holidays.

The military regards Campora as little more than a mouthpiece for Peron and would view his election as being almost as objectionable as putting Peron himself back in power. The deadline of 25 August that bars Peron's candidacy can also be construed as barring Campora because he traveled outside the country after the deadline. President Lanusse is likely to come under pressure from the armed forces to use this or any other available means to prevent Campora from running. (SECRET)

GREECE: Prime Minister Papadopoulos' annual state-of-the-nation address contained no major redirection of the Athens government for 1973, but he did announce partial lifting of martial law and lenient measures for political prisoners.

Martial law for Thessalonica--Greece's second largest city--will be ended, leaving only the Athens area under military law. Political prisoners who were tried in military tribunals will now be able to appeal their cases to civilian courts. The prime minister also promised to present the regime's decisions on future political developments sometime in 1973, but added that the relevant articles concerning elections and parliamentary government in the 1968 constitution will remain suspended. Papadopoulos devoted the rest of his speech to announcements on new educational reforms and economic progress.

There was no hint of any dissension among the Greek leaders as the prime minister delivered his speech before his cabinet, top armed forces personnel, members of the advisory committee, and newsmen in a packed parliament house. According to the US Embassy in Athens, most observers believe that Papadopoulos appeared much more relaxed and confident than on previous occasions in recent weeks. (CONFIDENTIAL)

AUSTRIA-YUGOSLAVIA: The status of Austria's Slovene minority--already a serious irritant to Austro-Yugoslav relations--also threatens to become a major domestic headache for Chancellor Kreisky.

The long-simmering issue recently came to a boil when the erection of bilingual roadsigns in the province of Carinthia provoked a violent anti-Slovene reaction. Low-key government efforts to cool local passions were set back on 8 November when the Yugoslavs published a note to the Austrians that threatened to appeal the plight of the Slovenes to the great power signatories of the Austrian State Treaty. On 12 December, Tito further raised Austrian hackles in a speech delivered in Ljubljana, the Slovenian capital. He charged that "fascist elements" were responsible for the repression of Slovenes in Austria.

Irritated and taken somewhat aback by Yugo-slavia's sharp public criticism, Chancellor Kreisky on 14 December denied charges of fascist activity. He added testily that Austria had discharged all of its essential obligations to its Slovene minority, and would not be "prodded" by the Yugoslavs. He nevertheless announced formation of a commission of inquiry to examine the bilingual roadsign dispute. The growing domestic political sensitivity of the matter was also revealed the same day, when leftist and rightist students at the University of Vienna clashed violently over a scheduled address on the Carinthian Slovene question by a conservative member of parliament.

The Yugoslavs have made it plain that they intend to keep the public pressure on the Austrians, at least partly for their own political purposes. This will make it increasingly difficult for Kreisky and his Socialist government to restrain anti-Slovene activists without alienating conservative Austrians and exposing Vienna to charges of knuckling under to Belgrade. (CONFIDENTIAL)

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#### NOTES

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USSR-CHILE:

the USSR has granted \$180 million in hard currency to Chile. The money may be used in any manner Chile sees fit, and can be paid out to any other country or to individual firms. This is the first report that President Allende received any badly needed hard currency support during his recent trip. Moscow had earlier extended about \$50 million in hard currency and about \$260 million in long-term project and development assistance. The reported agreement conflicts with earlier indications that the Soviet Union was itself under serious foreign exchange constraints. (SECRET NO FOREIGN DISSEM)

ROMANIA-BULGARIA: On his arrival in Bucharest for an official visit on 15 December, Bulgarian Foreign Minister Mladenov criticized his Romanian hosts for breaking ranks with the Warsaw Pact at the recently recessed CSCE preparatory talks in Helsinki. Although Romanian Foreign Minister Macovescu reiterated his country's well-publicized position on the equality of all nations and its insistence on a nonbloc approach at Helsinki, Mladenov's bluntness nevertheless increases the public pressure on Romania to fall into line. Mladenov's pointed remarks -- which contrast with Bulgaria's often muted statements on Romania's maverick attitudes--sharpen Bulgarian press commentary last week that attacked "ill-intentioned" attempts to link the talks on European security with discussions of mutual force reductions. Bucharest shows no signs of giving up its determination to link these two subjects, but Bulgaria's willingness to carry the Soviet spear suggests the Romanians can expect increased criticism, if only by implication, in Moscow during the 50th anniversary celebrations slated for 21-22 December. (CONFIDENTIAL)

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AUSTRIA-CSCE: Foreign Ministry officials have revealed Vienna's eagerness to host the second stage of the Conference on Security and Cooperation in Europe (CSCE). In a conversation with US Embassy officials last week, acting Foreign Minister Wodak confided that his government wants to host the conference but would not openly compete with Helsinki over conference venue. Both he and the Austrian representative at the talks in Helsinki said that many European countries have expressed concern that the second stage of CSCE might overtax facilities The Austrians noted that "facilities in Helsinki. could be found" in Vienna. The Austrian Government, still smarting from the shift in venue of the SALT talks to Geneva, would insist that the conference not use alternate sites during the second stage. Presumably the Austrians would not object to one or more CSCE commissions sitting permanently in Vienna while others sat in another capital. Wodak said that it was time the US and other NATO members made known their positions on the CSCE site question. DENTIAL)